IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

MARS ELECTRONICS INTERNATIONAL, INC., a Delaware corporation, and MARS, INCORPORATED, a Delaware corporation,

Plaintiffs,

v.

INTERNATIONAL CURRENCY TECHNOLOGIES CORP., a Taiwanese corporation, and INTERNATIONAL CURRENCY TECHNOLOGIES INC., a California corporation,

Defendants.

C.A. No. 05-239-SLR

REPLY TO COUNTERCLAIMS OF DEFENDANT INTERNATIONAL CURRENCY TECHNOLOGIES INC.

Plaintiffs Mars Electronics International, Inc. ("MEI") and Mars, Incorporated ("Mars, Inc.") (collectively "Mars") hereby reply to the Counterclaims of defendant International Currency Technologies Inc. ("ICT-USA") as follows:

- 1. Upon information and belief, Mars admits the allegations of Paragraph 1 of the Counterclaims.
 - 2. Mars admits the allegations of Paragraph 2 of the Counterclaims.
 - 3. Mars admits the allegations of Paragraph 3 of the Counterclaims.
- 4. Mars admits that the Court has subject matter jurisdiction over the Counterclaims. Mars neither admits nor denies the remaining allegations of Paragraph 4 of the Counterclaims because they require no response.

5. Mars admits that venue is proper in this district. Mars neither admits nor denies the remaining allegations of Paragraph 5 of the Counterclaims because they require no response.

FIRST COUNTERCLAIM

- 6. Upon information and belief, Mars admits the allegations of Paragraph 6 of the Counterclaims.
 - 7. Mars admits the allegations of Paragraph 7 of the Counterclaims.
 - 8. Mars admits the allegations of Paragraph 8 of the Counterclaims.
 - 9. Mars denies the allegations of Paragraph 9 of the Counterclaims.
- 10. Mars admits that by alleging non-infringement of the '367 patent, an actual controversy between ICT-USA and Mars does exist. Except as so admitted, Mars denies that the First Counterclaim of ICT-USA has merit.
- 11. Mars admits that ICT-USA seeks a declaration of rights but denies that the First Counterclaim has merit and further requests that the Court enter judgment that ICT-USA has infringed and is infringing one or more claims of the '367 patent.

SECOND COUNTERCLAIM

- 12. Mars incorporates by reference the allegations of Paragraphs 1 through 11 of this Reply as if fully set forth herein.
 - 13. Mars denies the allegations of Paragraph 13 of the Counterclaims.
- 14. Mars admits that by alleging invalidity of the '367 patent, an actual controversy between ICT-USA and Mars does exist. Except as so admitted, Mars denies that the Second Counterclaim of ICT-USA has merit.
- 15. Mars admits that ICT-USA seeks a declaration of rights but denies that the Second Counterclaim has merit and requests that the Court enter judgment that ICT-USA has not carried its burden of proof by clear and convincing evidence that the '367 patent is invalid and, further, that the '367 patent is not invalid and is infringed by ICT-USA.

AFFIRMATIVE DEFENSES

16. The First and Second Counterclaims of ICT-USA fail to state a claim upon which relief can be granted.

WHEREFORE, Mars prays for judgment as follows:

- A. That the First and Second Counterclaims of defendant ICT-USA be dismissed with prejudice and that defendant ICT-USA take nothing thereunder;
- B. That judgment be entered in favor of Mars upon the Complaint granting Mars all the relief against ICT-USA prayed for in the Complaint;
- C. That, pursuant to 35 U.S.C. § 285, Mars be awarded its reasonable attorneys' fees and costs incurred in defending against ICT-USA's Counterclaims; and
- D. That the Court grant Mars such other and further relief as it may deem just and proper.

Dated: July 7, 2005 FISH & RICHARDSON P.C.

> By: /s/ William J. Marsden, Jr. William J. Marsden, Jr. (#2247)

> > marsden@fr.com

Timothy Devlin (#4241)

tdevlin@fr.com

Sean P. Hayes (#4413)

hayes@fr.com

919 N. Market Street, Suite 1100

Wilmington, DE 19899-1114

Tel: (302) 652-5070

Edmond R. Bannon

Raymond R. Castello

Citigroup Center

153 East 53rd Street

52nd Floor

New York, NY 10022-4611

Tel: (212) 765-5070

Attorneys for Plaintiffs Mars Electronics International, Inc. and Mars, Incorporated

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of July, 2005, I electronically filed with the Clerk of Court the foregoing document entitled "REPLY TO COUNTERCLAIMS OF DEFENDANT INTERNATIONAL CURRENCY TECHNOLOGIES INC." using CM/ECF which will send notification of such filing(s) to the following:

> M. Duncan Grant, Esq. PEPPER HAMILTON LLP 1313 Market Street, Suite 5100 P.O. Box 1709 Wilmington, DE 19899-1709

I also certify that on July 7, 2005, I have mailed the foregoing document by overnight mail to the following non-registered participants:

> Louis L.S. Tao Sonnenschein, Nath & Rosenthal LLP 1301 K Street, N.W. Suite 600, East Tower Washington, DC 20005

> > and

Edward H. Rice Steven M. Lubezny Sonnenschein, Nath & Rosenthal LLP 8000 Sears Tower Chicago, IL 60606

/s/ William J. Marsden, Jr.

William J. Marsden, Jr.